Compound Annual Growth Rate (CAGR)

\[
\left( \frac{\text{Ending Revenue}}{\text{Beginning Revenue}} \right)^{\frac{1}{\text{number of years} - 1}} - 1 = \text{CAGR}
\]

Example:

If Company X was founded on January 30, 2010 and the revenue numbers for Company X are:

- 2013: $100,000
- 2014: $200,000
- 2015: $450,000

Company X’s Compound Annual Growth Rate:

\[
\left( \frac{450,000}{100,000} \right)^{\frac{1}{2}} - 1 = \left(4.5^\frac{1}{2} \right) - 1 = 4.5^{0.5} = 1.1213203
\]

Company X has a (1.1213203)(100) = 112.132% Compound Annual Growth Rate for years 2013-2015